



1 530 Las Vegas Boulevard South  
 2 Las Vegas, NV 89101  
 3 Telephone (702) 385-3373  
 4 Facsimile (702) 385-5024

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5 Susan M. Freeman AZ State Bar No. 004199  
 6 Email: [sfreeman@irlaw.com](mailto:sfreeman@irlaw.com)  
 7 Rob Charles NV State Bar No. 006593  
 8 Email: [rcharles@irlaw.com](mailto:rcharles@irlaw.com)  
 9 Anne M. Loraditch NV State Bar No. 008164  
 10 Email: [aloraditch@irlaw.com](mailto:aloraditch@irlaw.com)

11 Attorneys for USACM Liquidating Trust

12 ORRICK, HERRINGTON & SUTCLIFFE LLP  
 13 MARC A. LEVINSON (CA 57613, pro hac vice)  
 14 JEFFERY D. HERMANN (CA 90445, pro hac vice)  
 15 400 Capitol Mall  
 16 Sacramento, California 95814  
 17 Telephone: (916) 447-9200  
 18 Facsimile: (916) 329-4900  
 19 Email: [malevinson@orrick.com](mailto:malevinson@orrick.com)  
 20 [jhermann@orrick.com](mailto:jhermann@orrick.com)

11 Attorneys for Post-Effective Date USA Capital Diversified Trust Deed Fund, LLC

12 SNELL & WILMER, LLP  
 13 ROBERT R. KINAS (NV 006019)  
 14 CLAIRE DOSSIER (NV 010030)  
 15 3883 Howard Hughes Parkway, Suite 1100  
 16 Las Vegas, Nevada 89169  
 17 Telephone: (702) 784-5200  
 18 Facsimile: (702) 784-5252  
 19 Email: [rkinas@swlaw.com](mailto:rkinas@swlaw.com)  
 20 [cdossier@swlaw.com](mailto:cdossier@swlaw.com)

## UNITED STATES BANKRUPTCY COURT

### DISTRICT OF NEVADA

13 In re:

14 USA COMMERCIAL MORTGAGE  
 15 COMPANY,

16 USA CAPITAL REALTY ADVISORS, LLC,

17 USA CAPITAL DIVERSIFIED TRUST DEED  
 18 FUND, LLC,

19 USA CAPITAL FIRST TRUST DEED FUND,  
 20 LLC,

21 USA SECURITIES, LLC,

Debtors.

22 **Affects:**

- All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund, LLC
- USA Capital First Trust Deed Fund, LLC
- USA Securities, LLC

Case No. BK-S-06-10725-LBR  
 Case No. BK-S-06-10726-LBR  
 Case No. BK-S-06-10727-LBR  
 Case No. BK-S-06-10728-LBR  
 Case No. BK-S-06-10729-LBR

### CHAPTER 11

Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

### OBJECTION OF USACM TRUST TO HERMAN M. ADAMS, BRIAN M. ADAMS, AND ANTHONY G. ADAMS' CLAIM FILED IN WRONG DEBTOR'S CASE; OBJECTION OF DTDF TO PROPOSED ALLOWANCE OF CLAIM; AND CERTIFICATE OF SERVICE

Hearing Date: October 15, 2007  
 Hearing Time: 9:30 a.m.

25 Herman M. Adams, Brian M. Adams, and Anthony G. Adams ("Adams") filed

26 Proof of Claim No. 10725-01226 against USA Commercial Mortgage Company

1 ("USACM") in the amount of \$3,625,000.00. The USACM Liquidating Trust (the  
 2 "USACM Trust") hereby objects to Adams' claim. The basis for the claim is shown on  
 3 the face of the proof of claim and in the attachment as an investment in USA Capital  
 4 Diversified Trust Deed Fund, LLC ("DTDF"). Accordingly, it is a claim that was  
 5 incorrectly filed in the USACM case. The USACM Trust respectfully requests that this  
 6 claim be disallowed as a claim against USACM. Although DTDF has not yet filed a  
 7 formal proof of claim against USACM, and there is no deadline for it to do so, DTDF has  
 8 informally asserted a claim in excess of \$100 million and the parties have participated in  
 9 one unsuccessful mediation on this and other issues. Because DTDF does assert a  
 10 significant claim against USACM, any claim held by Adams against USACM solely on  
 11 account of the investment in DTDF is derivative of DTDF's claims against USACM, and  
 12 Adams may not prosecute such claims on Adams' own behalf.

13 In *In re Van Dresser Corp.*, plaintiff was a shareholder of Van Dresser, which  
 14 owned two subsidiaries.<sup>1</sup> The president of Van Dresser looted the subsidiaries, ultimately  
 15 forcing them and Van Dresser into bankruptcy. The plaintiff had guaranteed \$1.125  
 16 million in loans to the debtor, and had to repay them when debtor defaulted. Plaintiff then  
 17 sued the debtor's principal, and two other defendants (who he alleged aided and abetted  
 18 the corporate looting) for various torts, including conversion, breach of fiduciary duty, and  
 19 civil conspiracy.

20 The court stated that a debtor's trustee has the exclusive right to assert a debtor's  
 21 claims, and that a claim belongs solely to the debtor's estate if the debtor could have raised  
 22 the claim at the commencement of the bankruptcy case.<sup>2</sup> Additionally, if a judgment  
 23 against a defendant by either the debtor or another party asserting the debtor's claim

24 <sup>1</sup> *In re Van Dresser Corp.*, 128 F.3d 945 (6<sup>th</sup> Cir. 1997).

25 <sup>2</sup> *Id.* at 947 (citing *In re Educators Group Health Trust*, 25 F.3d 1281, 1284 (5<sup>th</sup> Cir. 1994); see  
 26 also *In re Real Marketing Services, LLC*, 309 B.R. 783 (S.D. Cal. 2004) (citing *Van Dresser* with  
 approval in a case involving an LLC debtor).

1 precludes the other from recovery, then the claims are not independent of each other and  
2 belong exclusively to the debtor.<sup>3</sup>

3 Thus, because both the plaintiff and the debtor corporation could state claims for  
4 damages against the defendants, but only one could recover on those claims, by default the  
5 claims were exclusively property of the Van Dresser trustees.<sup>4</sup> In order for a plaintiff to  
6 bring a claim, either the trustee must have truly abandoned the claim, or the plaintiff must  
7 be able to allege a distinct and specific injury.<sup>5</sup>

8 Similarly, in *In re Real Marketing*, the debtor had attempted to enter into an asset  
9 purchase agreement that specifically included the assumption of debt owed to the debtor's  
10 managing member. The agreement fell through, and after the managing member filed an  
11 involuntary petition for relief against the debtor, the managing member asserted various  
12 causes of action against the purchasing company, including contract claims, debt  
13 assumption claims, misrepresentation claims, and interference claims.<sup>6</sup> The court,  
14 however, found that all of the claims involved both the debtor's managing member and the  
15 debtor itself, and thus the right to pursue all of the causes of action resided with the  
16 trustee.<sup>7</sup>

17 DTDF further objects to any allowance of Adams' claim as a claim against the  
18 DTDF estate. DTDF has determined that Adams has an allowed proof of interest in the  
19 DTDF case in the amount of \$3,483,430.96 that roughly corresponds to the amount of the

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20 <sup>3</sup> *Id.*

21 <sup>4</sup> *Id.* at 948.

22 <sup>5</sup> *Id.* at 949 (for example, a claim for the attorneys' fees plaintiff incurred defending the suits on  
23 the guaranty).

24 <sup>6</sup> *In re Real Marketing*, 309 B.R. 783, 786-87 (S.D. Cal. 2004).

25 <sup>7</sup> See also *In re Ionosphere Clubs, Inc.*, 156 B.R. 414 (S.D.N.Y. 1993) (courts determine whether  
26 action is individual or derivative based on state law, and the preferred shareholders breach of  
fiduciary duty claims were derivative per Delaware law); *In re Van Dresser*, 128 F.3d at 947  
("whether a creditor has sole right to a cause of action is determined in accordance with state  
law").



1 Adams claim. This objection does not seek to prejudice the rights of Adams as a DTDF  
 2 member to recover from the DTDF estate on a pro rata basis on account of Adams'  
 3 membership interest in the amount of \$3,483,430.96. Adams shall retain an interest in  
 4 DTDF in the amount of \$3,483,430.96, as reflected in the books and records of DTDF, and  
 5 Adams is entitled to receive distributions on a pro rata basis with all other DTDF  
 6 members.

7 Accordingly, the USACM Trust and DTDF seek entry of an order that will disallow  
 8 Adams' claim against USACM, disallow any proposed allowance of the Adams' claim in  
 9 the DTDF case, and appropriately allow Adams to retain an equity interest in DTDF in the  
 10 amount of \$3,483,430.96, as reflected in the books and records of DTDF as of April 13,  
 11 2006.

12 This objection is made pursuant to Bankruptcy Code section 502, Federal Rule of  
 13 Bankruptcy Procedure 3007, and Local Rule of Bankruptcy Practice 3007.

14 Dated: September 14, 2007.

15 **SNELL & WILMER, LLP**

16 By /s/ Robert R. Kinas (006019)

17 Robert R. Kinas  
 Claire Dossier  
 18 3883 Howard Hughes Parkway, Suite 1100  
 Las Vegas, Nevada 89169  
 19 Telephone (702) 784-5200  
 Facsimile (702) 784-5252

20 and

21 **ORRICK, HERRINGTON &  
 SUTCLIFFE LLP**

22 Marc A. Levinson  
 Jeffery D. Hermann  
 23 400 Capitol Mall, Suite 3000  
 Sacramento, California 95814-4497  
 24 *Attorneys for Post-Effective Date USA  
 Capital Diversified Trust Deed Fund, LLC*

15 **LEWIS AND ROCA LLP**

16 By /s/ Anne M. Loraditch (008164)

17 Susan M. Freeman  
 Rob Charles  
 Anne M. Loraditch  
 530 Las Vegas Boulevard South  
 Las Vegas, Nevada 89101  
 Telephone: (702) 385-3373  
 Facsimile: (702) 385-5024  
 18 *Attorneys for USACM Liquidating Trust*



## **CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing was served via first class mail, postage prepaid, addressed as set forth below, on this 14th day of September, 2007 to:

Herman M. Brian M. and Anthony G. Adams  
1341 Cashman Drive  
Las Vegas, NV 89102

By /s/ Patricia M. Kois  
Patricia M. Kois, Lewis and Roca LLP